Letter from
Twentynine Palms Water District
dated December 28, 2015
outlining position on
Unfunded Retirement Liability

Attachment 6

TPWD

TWENTYNINE PALMS WATER DISTRICT

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LAFCO
San Bernardino County

December 28, 2015

Ms. Kathleen Rollings-McDonald
LAFCO for San Bernardino County
215 North D Street
Suite 204
San Bernardino, CA 92415-0490

Reference: LAFCO 3200-Twentynine Palms Water District and City of Twentynine Palms Joint Meeting

Dear Ms. Kathleen Rollings-McDonald,

On December 7, 2015, at a joint meeting of the Twentynine Palms Water District's Board of Directors (Board) and the City of Twentynine Palms City Council (Council), the Board voted and approved upon the following items to support the Twentynine Palms Fire Department divesture:

- Water District would place the PERS safety plan in the inactive status
- Water District to pay the new service zone $40,000 annually for 5 years or $200,000 out of the unrestricted cell tower lease funds[1]
- Water District would sell the downtown fire station to the City for $250,000

This letter is to confirm the above actions taken by the Twentynine Palms Water District's Board of Directors as outlined in the December 7, 2015 meeting minutes.

Sincerely,

Ray Kolisz
General Manager

Enclosure: Signed Meeting Minutes of December 7, 2015

[1] District will make the annual $40,000 payment on July 1st of each year beginning in 2016 for a 5 year time period.

TWENTYNINE PALMS WATER DISTRICT

MINUTES OF THE TWENTYNINE PALMS CITY COUNCIL AND TWENTYNINE PALMS WATER DISTRICT BOARD OF DIRECTORS JOINT MEETING TO DISCUSS TWENTYNINE PALMS FIRE SERVICES

WEDNESDAY, DECEMBER 7, 2015

Call to Order
City of Twentynine Palms Mayor Joel Klink called the meeting to order at 5:01 p.m., 74325 Joe Davis Drive, Twentynine Palms, California.

Pledge of Allegiance
Water District Board President Sam Moore led the pledge.

Twentynine Palms City Council Roll Call
Those responding to roll call for the City of Twentynine Palms were Mayor Joel Klink, Mayor Pro Tem Daniel Mintz, Councilmember Cora Heiser, Councilmember John Cole, Councilmember McArthur Wright. City of Twentynine Palms Staff present were City Manager Frank Luckino and City Clerk Cindy Villescas.

Twentynine Palms Water District Board of Directors Roll Call
Those responding to roll call for the Twentynine Palms Water District were Board President Sam Moore, Vice President Chancey Chambers, Director Carol Giannini, Director Suzi Horn, and Director Roger Shinaver. Twentynine Palms Water District Staff present were General Manager Ray Kolisz, Fire Chief Jim Thompson, Financial Consultant Josh Byerrum, and District Secretary Cindy Fowlkes.

Announcements
Mayor Klink announced these proceedings will be televised on Cable T.V. Channel 10, every Monday following the City Council meeting at 6:30 p.m. and may be viewed on the City of Twentynine Palms website at www.29palms.org.

Public Comments
Cal Cisco, of Twentynine Palms, spoke to a non-agenda item.

1. Twentynine Palms Fire Services
   Recommendation: That the City Council and Water District Board discuss potential terms of City financial support and guidance from LAFCO; and that the City Council approve the proposal to support the Twentynine Palms Water District financially to relieve the liability burden to proceed with the annexation request into San Bernardino County Fire.

   City Manager, Frank Luckino, presented his staff report. Water District General Manager, Ray Kolisz, clarified the agreed upon recommendations by the Fire Ad Hoc committee for the Board's approval:

   - Water District would place the PERS safety plan in the inactive status

- Water District to pay the new service zone $40,000 annually for 5 years or $200,000 out of the unrestricted cell tower lease funds
- The Water District would sell the downtown fire station to the City for $250,000

Ed Vallerand, of Twentynine Palms, would like to see local control of the Lear Fire station and the City's retention of the ladder truck.

Fire Chief John Chamberlain, of San Bernardino County, and Kathleen Rollings-McDonald, of LAFCO, were present in the audience to provide clarification and answer questions. Chief John Chamberlain clarified that Fire Department assets have been identified and some determined for liquidation. The Lear Fire Station would become a regional training center with CMC continuing their use of the station. Ms. Rollings-McDonald explained that LAFCO will draft conditions of approval that must be finalized including the transfer of properties, employee benefits, and the creation of a new fire service zone (FP-5)

After discussion by both the City Councilmembers and Water District Board of Directors which included medical aid services and support, the determination of the property value for the downtown fire station, and the lack of a sustainable revenue source, the following motions were made:

Vice President Chambers made a motion to accept the Ad Hoc committee recommendations and authorize the General Manager to execute all documents, seconded by Director Horn and approved by the following roll call vote:

Ayes:	Directors Chambers, Horn, Moore, and Shinaver
Noes:	Director Giannini
Abstain:	None
Absent:	None

Mayor Pro Tem Mintz made a motion to accept the terms agreed upon by the Ad Hoc committee and authorize the City Manager to execute all documents, seconded by Councilmember Cole and approved by the following roll call vote:

Ayes:	Councilmembers Klink, Mintz, Cole, and Wright
Noes:	Councilmember Heiser
Abstain:	None
Absent:	None

Adjournment

Mayor Klink adjourned the meeting at 5:54 p.m.

Kerron E. Moore, President
Board of Directors

Attest:

Ray Kolisz, Board Secretary
Twentynine Palms Water District

APPROVED DEC 16 2015